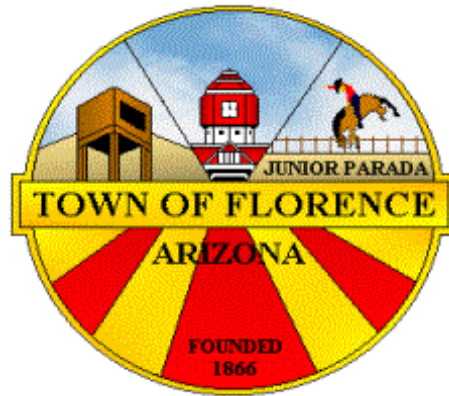


TOWN OF FLORENCE

DEVELOPMENT IMPACT FEE STUDY FINAL REPORT

MAY 16, 2007



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EXECUTIVE SUMMARY

This report summarizes an analysis of the need for public facilities and capital improvements to support future development within the Town of Florence. It is the Town's intent that the costs representing future development's share of facilities and improvements be imposed on that development in the form of development impact fees, also known as public facilities fees. The public facilities and improvements included in this update to the development impact fee program are divided into the following categories listed below:

- ♦ Fire
- ♦ Police
- ♦ General Government
- ♦ Transportation
- ♦ Library
- ♦ Parks and Open Space
- ♦ Water
- ♦ Sewer
- ♦ Sanitation

BACKGROUND AND STUDY OBJECTIVES

The rationale for charging impact fees is based on the premise that new development should pay the costs associated with growth. To facilitate this objective, the Town has contracted with MuniFinancial to update its development impact fee program.

It is the Town's intent that the costs of these facilities and improvements be shared among the various beneficiaries. In the case where the existing population creates a need for all or part of a facility, the cost associated with this "Town's share" will be borne by the Town on behalf of current residents. The existing residents should only bear the costs of improving facilities to meet existing needs.

The Town will rely on its authority to levy impact fees under §9-463.05 of the Arizona Revised Statutes. This update to the fee program provides the necessary documentation for the adoption of revised development impact fees.

DEMOGRAPHIC ASSUMPTIONS

This study uses population and household data provided by the Arizona Department of Economic Security (ADES) and Town staff. The number of residents for 2006 is based on ADES population estimates as of July 1, 2006 (the total population is 20,691, composed of 5,448 residents and 15,243 prisoners). The number of workers in 2006 is 6,345, based on figures provided by Town staff. Residential growth projections are based on the estimation that 50 new building permits will be issued each month (the population density is assumed to be 2.82 per dwelling unit). The growth in workers is calculated based on the projected development of nonresidential property between 2006 and 2015 and the occupant densities shown in Table 2.1 (2.21 workers per 1,000 square feet for commercial and 1.27 workers per 1,000 square feet for industrial land uses). From 2006 to 2015, the population is expected to increase to 20,658 from 5,448. For the same period, the number of workers is expected to increase to 8,896 from 6,345 (note that a large portion of the existing worker population is

related to the prisons and will not grow directly with a growth in population). The total projected service population in 2015 is shown in Table E1.

Table E1: Projected Service Population

	Residents ¹	Workers ²
Estimated Population (2006) ³	5,448	6,345
New Development (2006-2015) ⁴	15,210	2,551
Total (2015)	20,658	8,896

¹ Number of residents based on Arizona Department of Economic Security (ADES) population estimate as of July 1, 2006 (total population is 20,691, composed of 5,448 residents and 15,243 prisoners).

² The growth in workers is based on occupant densities shown in Table 2.1 and projected nonresidential development from 2006-2015.

³ 2006 is the base year of the study.

⁴ Residential growth projections based on the estimation that 50 new building permits will be issued each month (population density estimated at 2.82 per dwelling unit).

Source: Table 2.1; Arizona Department of Economic Security; Town of Florence; MuniFinancial.

FACILITY STANDARDS AND COSTS OF GROWTH

This fee analysis uses standards based on Town policy to determine the cost of facilities required to accommodate growth for public facilities. A standard for each facility category considered in this study is derived from the Town's facility plans through 2015. Depending on the level of the policy, the Town currently may or may not have sufficient facilities to serve existing development. If the Town's current facilities are below standard, then a deficiency exists. In this case, the portion of the cost of planned facilities associated with correcting the deficiency must be allocated to funding sources other than the fee. The public facilities fees can only fund the planned facilities needed to accommodate new development at the adopted standard.

The existing inventory method uses a facility standard based on the ratio of existing facilities to existing development. Under this approach, new development funds the expansion of facilities at the same rate that existing development has provided facilities to date. By definition, the existing inventory method does not result in facility deficiencies attributable to existing development. To increase facility standards, the jurisdiction must secure funding in addition to development fees.

The system plan standard is calculated based on all existing and projected new development, and all the existing and planned facilities designed to serve that development. The standard

represents the average per capita cost of all facilities to serve the entire service population (existing and new). The key variable affecting the standard is the amount and cost of planned facilities. Using a per capita facility standard ensures an equitable distribution of the cost of planned facilities between existing and new development.

The planned facilities method calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.

The Town must distinguish between planned facilities needed to accommodate growth and planned facilities that serve existing residents and businesses. New development can only fund its fair share of planned facilities. Fair share is based on application of the same facility standard to both new and existing development. To ensure compliance with the law, the Town must ensure that there is a reasonable relationship among new development, the amount of the fee, and the facilities funded by the fee.

SUMMARY OF FEE SCHEDULE

Tables E.2 and E.3 summarize the schedule of maximum justified development impact fees based on the analysis contained in this report. The Town may adopt any fee up to those shown in the tables. If the Town adopts a lower fee then it should consider reducing the fee for each land use by the same percentage. This approach would ensure that each new development project would fund the same proportionate share of the public facilities costs.

Table E2: Summary of Proposed Development Impact Fees (Land Use-Based Fees)

	Fire	Police	General Government	Transportation	Library	Parks & Open Space	Sanitation	Total
<i>Residential</i>								
Single Family	\$ 1,040	\$ 868	\$ 786	\$ 536	\$ 378	\$ 797	\$ 115	\$ 4,519 per Dwelling Unit
Multi-Family	747	624	564	377	272	573	115	3,273 per Dwelling Unit
<i>Nonresidential</i>								
Commercial	598	163	148	2,407	56	150	494	4,015 per 1,000 square feet
Industrial	344	94	85	391	32	86	494	1,527 per 1,000 square feet

Sources: Tables 3.5, 4.4, 5.4, 6.6, 7.4, 8.5, 11.4; MuniFinancial.

**Table E.3: Summary of Proposed
Development Impact Fees (Meter Size-
Based Fees)**

	Water	Sewer
5/8"-3/4"	\$ 3,094	\$ 3,814
1"	5,156	6,356
1 1/2"	10,313	12,713
2"	20,625	25,426
3"	33,001	40,681
4"	51,563	63,565
6"	103,127	127,129
8"	247,504	305,110
10"	391,882	483,091
12"	515,634	635,646

Sources: Tables 9.5, 10.5; MuniFinancial.

1. INTRODUCTION

This report presents an analysis of the need for public facilities to accommodate new development in the Town of Florence. This chapter explains the study's approach and summarizes the methods used under the following sections:

- ♦ Background and study objectives;
- ♦ Public facilities financing in Arizona;
- ♦ Organization of the report; and
- ♦ Facility standards approach.

BACKGROUND AND STUDY OBJECTIVES

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to complete a comprehensive fee study and determine the maximum justified public facilities fee levels to impose on new development to maintain the Town's facilities standard. Public agencies should review and update their fee programs periodically to incorporate the best available information.

The Town will rely on its authority to levy impact fees under §9-463.05 of the Arizona Revised Statutes. This report provides the necessary documentation for the adoption of the fees presented in the fee schedules contained herein.

PUBLIC FACILITIES FINANCING IN ARIZONA

The changing fiscal landscape in Arizona during the past 25 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- ♦ The adoption of restrictions on local government taxation and expenditure controls;
- ♦ Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- ♦ Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees. Assessments and special taxes require approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all

development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

FACILITY STANDARDS APPROACH

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. Examples of facility standards include building square feet per capita and park acres per capita. Standards also may be expressed in monetary terms such as the replacement value of facilities per capita. The adopted facility standard is a critical component in determining new development's need for new facilities and the amount of the fee. These standards also determine the new development's fair share of planned facilities and ensure that new development does not fund deficiencies associated with existing development.

DETERMINING FACILITY STANDARDS

The most commonly accepted approaches to determining a facility standard are described below.

- ♦ The **existing inventory method** uses a facility standard based on the ratio of existing facilities to the existing development. Under this approach, new development funds the expansion of facilities at the same rate that existing development has provided facilities to date. By definition, the existing inventory method does not result in facility deficiencies attributable to existing development. To increase facility standards, the jurisdiction must secure funding in addition to development fees.
- ♦ The **planned facilities method** calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.
- ♦ The **system plan method** calculates the standard based on the ratio of all existing plus planned facilities to total future demand (existing and new development). This method is used when (1) the local agency anticipates increasing its facility standard above the existing inventory standard discussed above, and (2) planned facilities are part of a system that benefit both existing and new development. Using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The jurisdiction must secure non-fee funding for that portion of planned facilities required to correct the deficiency.

TYPE OF FACILITY STANDARDS

Once a facility standard is established, it can then be categorized into three main “types” of standards. These standards are defined as follows:

- ♦ *Demand standards* determine the amount of facilities required to accommodate growth – for example, park acres per 1,000 residents, traffic level of service, and gallons of water per day per dwelling unit.
- ♦ *Design standards* determine how a facility should be designed to meet expected demand – for example park improvement requirements, street intersection design, and water storage needs.
- ♦ *Cost standards* determine the cost per unit of demand based on the estimated cost of facilities – for example cost per capita, cost per vehicle trip, or cost per gallon of water per day.

THE TYPES AND APPROACHES USED IN THIS STUDY

The existing inventory method uses a facility standard based on the ratio of existing facilities to existing development. Under this approach, new development funds the expansion of facilities at the same rate that existing development has provided facilities to date. By definition, the existing inventory method does not result in facility deficiencies attributable to existing development. To increase facility standards, the jurisdiction must secure funding in addition to development fees.

The system plan standard is calculated based on all existing and projected new development, and all the existing and planned facilities designed to serve that development. The standard represents the average per capita cost of all facilities to serve the entire service population (existing and new). The key variable affecting the standard is the amount and cost of planned facilities. Using a per capita facility standard ensures an equitable distribution of the cost of planned facilities between existing and new development.

The planned facilities method calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.

The Town must distinguish between planned facilities needed to accommodate growth and planned facilities that serve existing residents and businesses. New development can only fund its fair share of planned facilities. Fair share is based on application of the same facility standard to both new and existing development. To ensure compliance with the law, the Town must ensure that there is a reasonable relationship among new development, the amount of the fee, and the facilities funded by the fee.

ARIZONA IMPACT FEE ENABLING ACT

Development impact fees, also known as public facilities fees, are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and towns). The imposition of development impact fees is governed by §9-463.05 of the Arizona Revised Statutes. The statutory findings required for adoption of the Town of Florence impact fees are summarized in this chapter and supported in detail by the report that follows.

BENEFIT RELATIONSHIP

For the first finding the Town must:

Development fees shall result in a beneficial use to the development.

The Town will restrict fee revenues to the acquisition of land, construction of public buildings, and purchase of related equipment, furnishings, vehicles, and services that serve new development. Public facilities funded by the fee will provide a town-wide network of services accessible to the additional residents and workers associated with new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

BURDEN RELATIONSHIP

For the second finding:

The amount of any development fees assessed pursuant to this section must bear a reasonable relationship to the burden imposed upon the municipality to provide additional necessary public services to the development

Service population, vehicle trips, or flow measured in gallons per day provides an indicator of the demand for the facilities needed to accommodate growth. Service population is calculated based on residents associated with residential development and employment associated with nonresidential development. To calculate a single per capita standard, one worker is weighted less than one resident based on an analysis of the relative demand.

The need for the fee is based on the facility standards identified in this report and the growth in town-wide service population projected through 2015. Facilities standards represent the level of service that the Town plans to provide its residents and businesses.

ORGANIZATION OF THE REPORT

The determination of a public facilities fee begins with determining existing and future population and employment. These projections are used throughout the analysis of different facility categories, and are summarized in Chapter 2.

Chapters 3 through 11 are devoted to documenting the maximum justified public facilities fee for each of the following nine (9) facility categories:

- ◆ Fire
- ◆ Police
- ◆ General Government
- ◆ Transportation
- ◆ Library
- ◆ Parks and Open Space
- ◆ Water
- ◆ Sewer
- ◆ Sanitation

Implementation guidelines are documented in Chapter 12. These guidelines apply to all the fee categories documented in Chapters 3 through 11.

2. DEMOGRAPHIC ASSUMPTIONS

Estimates of the existing service population and projections of growth are critical assumptions used throughout this report. These estimates are used to:

- ♦ Determine the existing standard of facilities.
- ♦ Determine the total amount of public facilities required to accommodate growth at the 2015 planning horizon and to allocate those costs on a per unit basis (for example, costs per capita).
- ♦ Allocate to new development its fair share of total planned facility needs based on estimates of service population growth from 2004 to 2015.

SERVICE POPULATION, TRIPS, AND DWELLING UNIT EQUIVALENTS

To measure existing service population and future growth, residential and worker population data are used for fire/EMS, police, general government, library, and parks. The number of residents and workers are reasonable indicators of the level of demand for public facilities. The Town builds public facilities primarily to serve these populations and typically the greater the population the larger the facility required to provide a given level of service. To measure new demand for transportation facilities, trip generation factors by land use classification are used. To measure new demand for water, wastewater, and sanitation facilities, dwelling unit equivalent factors by land use classifications are used.

LAND USE TYPES

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections are used to distinguish between different land use types. The land use types used in this analysis are defined below:

- ♦ **Single family:** Attached and detached one-family dwelling units, modular, and manufactured homes;
- ♦ **Multi-family:** All attached dwelling units such as duplexes and condominiums, mobile homes, apartments, and dormitories;
- ♦ **Commercial:** All commercial, office, retail, hotel/motel development, and prisons;
- ♦ **Industrial:** All manufacturing and warehouse development.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases, the public facilities fee would be calculated separately for each land use type.

The Town has the discretion to impose the public facilities fee based on the specific aspects of a proposed development regardless of zoning. The guideline to use is the probable

occupant density of the development, either residents per dwelling unit or workers per building square foot. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

OCCUPANT DENSITIES

Occupant densities ensure a reasonable relationship between the increase in service population and amount of the fee. Developers pay the fee based on the number of additional housing units or building square feet of nonresidential development; therefore the fee schedule must convert service population estimates to these measures of project size. This conversion is done with average occupant density factors by land use type, shown in Table 2.1.

Table 2.1 summarizes the occupancy density assumption for each land use category. The density per single-family dwelling unit is 2.82 and per multi-family dwelling unit is 2.03, based on Census data. For commercial land use, the density is assumed to be 2.21 employees per 1,000 square feet and for industrial land use, the density is assumed to be 1.27 employees per 1,000 square feet.

Table 2.1: Occupant Density

Residential:

Single Family	2.82	Persons per dwelling unit
Multi-Family	2.03	Persons per dwelling unit

Nonresidential:

Commercial	2.21	Workers per 1,000 sq. ft.
Industrial	1.27	Workers per 1,000 sq. ft.

Source: 2000 Census, Tables H31-H33; Town of Florence; MuniFinancial.

DEMOGRAPHIC ASSUMPTIONS FOR THE TOWN OF FLORENCE

The base year for this study is the year 2006. Base year residential estimates are calculated using information provided by Town staff and the Arizona Department of Economic Security (ADES). The number of residents for 2006 is based on ADES population estimates as of July 1, 2006 (the total population is 20,691, composed of 5,448 residents and 15,243 prisoners). The number of workers in 2006 is 6,345, based on figures provided by Town staff. Residential growth projections are based on the estimation that 50 new building permits will be issued each month (the population density is assumed to be 2.82 per dwelling unit). The growth in workers is calculated based on the projected development of nonresidential property between 2006 and 2015 and the occupant densities shown in Table

2.1 (2.21 workers per 1,000 square feet for commercial and 1.27 workers per 1,000 square feet for industrial land uses). From 2006 to 2015, the population is expected to increase to 20,658 from 5,448. For the same period, the number of workers is expected to increase to 8,896 from 6,345 (note that a large portion of the existing worker population is related to the prisons and will not grow directly with a growth in population). The total projected service population in 2015 is shown in Table 2.2.

Table 2.2: Service Population Projection

	Residents ¹	Workers ²
Estimated Population (2006) ³	5,448	6,345
New Development (2006-2015) ⁴	15,210	2,551
Total (2015)	20,658	8,896

¹ Number of residents based on Arizona Department of Economic Security (ADES) population estimate as of July 1, 2006 (total population is 20,691, composed of 5,448 residents and 15,243 prisoners).

² The growth in workers is based on occupant densities shown in Table 2.1 and projected nonresidential development from 2006-2015.

³ 2006 is the base year of the study.

⁴ Residential growth projections based on the estimation that 50 new building permits will be issued each month (population density estimated at 2.82 per dwelling unit).

Source: Table 2.1; Arizona Department of Economic Security; Town of Florence; MuniFinancial.

3. FIRE AND EMERGENCY MEDICAL SERVICES FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of new fire and emergency medical services facilities. The Town would use the fee revenues to expand the Town's network of fire and emergency medical services facilities to accommodate new development.

SERVICE POPULATION

The Town's fire and emergency medical services facilities serve both residents and businesses. Therefore, the Town's service population, i.e. the number of residents and workers within its service area, measures the need for fire services and associated facilities.

Table 3.1 provides estimates of the service populations in 2006 and 2015. In calculating the service population, workers were weighted less than residents to reflect lower per capita service usage. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker usage of services is less than average per-resident usage.

The Town of Florence surveyed the number of service calls generated by residential and nonresidential land uses to estimate the usage of fire and emergency medical services facilities by each type. Based on the call data for fiscal year 2005-06, the residential category generated 948 calls and the nonresidential category generated 695 calls. The 0.73-weighting factor for workers is based on dividing the number of calls generated by the nonresidential category by the number of calls generated by residents. Table 3.2 summarizes the number of service calls made by each land use type and the weighting factors associated with each.

Table 3.1: Fire and Emergency Medical Services Facilities Service Population

	Residents	Workers	Service Population
Estimated Population (2006)	5,448	6,345	10,100
New Development (2006-2015)	15,210	2,551	17,100
Total (2015)	20,658	8,896	27,200
Weighting factor	1.00	0.73	

Note: Workers are weighted at 0.73 of residents based on call data.

Source: Tables 2.2 and 3.2; Town of Florence; MuniFinancial.

Table 3.2: Call Data Summary

	No. of calls in FY 05-06	Weighting Factor
Residential	948	1.00
Nonresidential	695	0.73
Total	1,643	

Note: Weighting factor of 0.73 for nonresidential determined by dividing 695 by 948.

Source: Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the existing inventory standard to calculate fees for fire and emergency medical services facilities. Table 3.3 summarizes (1) the total cost of existing facilities, (2) the existing service population in 2006 (see Table 3.1), (3) the cost per resident, and (4) the cost per worker, which was calculated using the weighting factor of 0.73.

Table 3.3: Fire and Emergency Medical Services Facilities – Existing Inventory Standard

	Inventory	Unit Cost	Value
<u>Existing Facilities</u>			
Land	4.77	\$ 40,000	\$ 190,728
Buildings	10,000	225	2,250,000
Vehicles & Equipment			
Vehicles			1,042,281
Equipment			232,431
Total Vehicles & Equipment			\$ 1,274,712
Total Existing Facilities			\$ 3,715,440
Existing Service Population			10,100
Cost per Capita			
Facility Standard per Resident			\$ 368
Facility Standard per Worker			270

Note: Workers are weighted at 0.73 of residents based on call data.

Source: Table 3.1; Town of Florence; MuniFinancial.

FIRE AND EMERGENCY MEDICAL SERVICES FACILITIES TO ACCOMMODATE NEW GROWTH

Table 3.4 shows the total revenue that the fire and emergency medical services facilities fee is expected to generate from new development. These revenues should be annually programmed into capital improvement projects and be integrated into a five (5) year Capital Improvement Plan (CIP). These revenues also provide an opportunity to develop and implement a system facility plan.

Table 3.4: Fire and Emergency Medical Services Facilities to Accommodate New Growth

Facility Standard Per Capita	\$	368
New Development Service Population (2006-2015)		17,100
Contribution from New Development	\$	6,290,000

Sources: Tables 3.1 and 3.3; MuniFinancial

FEE SCHEDULE

Table 3.5 shows the fire and emergency medical services development impact fee based on the existing inventory standard shown in Table 3.4. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

Table 3.5: Fire and Emergency Medical Services Development Impact Fees

Land Use	Cost per Capita ¹	Density ²	Cost per Unit ³	Admin ⁴	Total Fee ³	Fee / Sq. Ft. ⁵
<i><u>Residential (Per Dwelling Unit)</u></i>						
Single Family	\$ 368	2.82	\$ 1,038	\$ 2	\$ 1,040	
Multi-Family	368	2.03	746	1	747	
<i><u>Nonresidential (Per 1,000 Sq. Ft.)</u></i>						
Commercial	\$ 270	2.21	597	1	598	\$ 0.60
Industrial	270	1.27	344	1	344	0.34

¹ Cost per resident or per worker.

² Persons per dwelling unit or workers per 1,000 building square feet.

³ Fee per dwelling unit or per 1,000 building square feet.

⁴ Administrative charge of 2.0 percent.

⁵ The fee per square foot includes additions to existing structures.

Sources: Tables 2.1 and 3.3; MuniFinancial.

4. POLICE FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of new police facilities. The Town would use the fee revenues to expand the Town's network of police facilities to accommodate new development.

SERVICE POPULATION

Police facilities serve both residents and businesses. Based on discussion with Town staff, the primary demand for police services is the protection of people and traffic stops, with the protection of property requiring less of a demand. Therefore, demand for services and associated facilities are based on a Town service population that includes both residents and workers.

Table 4.1 shows the estimated service population in 2006 and 2015. In calculating the service population, workers are weighted less than residents to reflect lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than the average per-resident demand. The 0.24-weighting factor for workers is based on dividing a typical workweek (40 hours) by the total number of hours in a week (168).

Table 4.1: Police Facilities Service Population

	Residents	Workers	Service Population
Estimated Population (2006)	5,448	6,345	7,000
New Development (2006-2015)	15,210	2,551	15,800
Total (2015)	20,658	8,896	22,800
Weighting factor	1.00	0.24	

Note: Workers are weighted at 0.24 of residents based on a 40 hour work week out of a possible 168 hours in a week.

Source: Table 2.2; Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the system plan standard to calculate fees for police facilities. Table 4.2 summarizes (1) the total cost of existing facilities, vehicles, and equipment, (2) the estimated total cost of planned facilities, vehicles, and equipment, (3) the total police facilities cost (existing and planned), (4) the projected service population in 2015 (see Table 4.1), (5) the cost per resident, and (6) the cost per worker, which was calculated using the weighting factor of 0.24.

Table 4.2: Police Facilities – System Plan Standard

	Inventory	Unit Cost	Value
<u>Existing Facilities</u>			
Land	0.89	\$ 40,000	\$ 35,583
Buildings (Square Feet)	8,400	150.00	1,260,000
Vehicles & Equipment			
Vehicles			\$ 654,613
Equipment			414,883
Total Vehicles & Equipment			\$ 1,069,496
Total Existing Facilities			\$ 2,365,079
<u>Planned Facilities</u>			
Evidence Facility			\$ 700,000
Communications Upgrades			19,500
Mobile Data Terminals			300,000
Dog Kennels			73,500
Police Substation			673,500
Police Substation			609,000
Police Substation			1,642,500
Police Vehicles			615,387
Total Planned Facilities			\$ 4,633,387
Total Facilities			\$ 6,998,466
2015 Service Population			22,800
Cost per Capita			
Facility Standard per Resident			\$ 307
Facility Standard per Worker			74

Note: Workers are weighted at 0.24 of residents based on a 40 hour work week out of a possible 168 hours in a week.

Source: Table 4.1; Town of Florence; MuniFinancial.

POLICE FACILITIES TO ACCOMMODATE NEW GROWTH

Table 4.3 shows the total revenue that the general government facilities fee is expected to generate from new development. These revenues should be annually programmed into capital improvement projects and be integrated into a five (5) year Capital Improvement Plan (CIP). These revenues also provide an opportunity to develop and implement a system facility plan.

Table 4.3: Police Facilities to Accommodate New Growth

Facility Standard Per Capita	\$	307
New Development Service Population (2006-2015)		15,800
Contribution from New Development	\$	4,850,000

Sources: Tables 4.1 and 4.2; MuniFinancial

FEE SCHEDULE

Table 4.4 shows the police development impact fee based on the system plan standard shown in Table 4.3. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

Table 4.4: Police Development Impact Fees

Land Use	Cost per Capita ¹	Density ²	Cost per Unit ³	Admin ⁴	Total Fee ³	Fee / Sq. Ft. ⁵
<i><u>Residential (Per Dwelling Unit)</u></i>						
Single Family	\$ 307	2.82	\$ 866	\$ 2	\$ 868	
Multi-Family	307	2.03	623	1	624	
<i><u>Nonresidential (Per 1,000 Sq. Ft.)</u></i>						
Commercial	\$ 74	2.21	163	0	163	\$ 0.16
Industrial	74	1.27	94	0	94	0.09

¹ Cost per resident or per worker.

² Persons per dwelling unit or workers per 1,000 building square feet.

³ Fee per dwelling unit or per 1,000 building square feet.

⁴ Administrative charge of 2.0 percent.

⁵ The fee per square foot includes additions to existing structures.

Sources: Tables 2.1 and 4.2; MuniFinancial.

5. GENERAL GOVERNMENT FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of general government facilities. The Town will use fee revenues to expand general government facilities to accommodate new development. General government facilities include, but are not limited to, government administrative offices (e.g. Public Works facilities), Town-owned vehicles, and Town storage facilities.

SERVICE POPULATION

General government facilities provide necessary services for both residential and business populations. Therefore, demand for services and associated facilities are based on a Town service population that includes both residents and workers.

Table 5.1 shows the estimated service population in 2006 and 2015. In calculating the service population, workers are weighted less than residents to reflect lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than the average per-resident demand. The 0.24-weighting factor for workers is based on dividing a typical workweek (40 hours) by the total number of hours in a week (168).

Table 5.1: General Government Facilities Service Population

	Residents	Workers	Service Population
Estimated Population (2006)	5,448	6,345	7,000
New Development (2006-2015)	15,210	2,551	15,800
Total (2015)	20,658	8,896	22,800
Weighting factor	1.00	0.24	

Note: Workers are weighted at 0.24 of residents based on a 40 hour work week out of a possible 168 hours in a week.

Source: Table 2.2; Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the planned facilities standard to calculate fees for general government facilities. Table 5.2 summarizes (1) the total cost of planned facilities, (2) the growth in service population from 2006 to 2015 (see Table 5.1), (3) the cost per resident, and (4) the cost per worker, which was calculated using the weighting factor of 0.24.

Table 5.2: General Government Facilities – Planned Facilities Standard

	Value
<i>Planned Facilities</i>	
Phone System Plan	\$ 120,000
Bulk Purchase/Computer	109,082
Acquisition of Land for Public Works Facility	32,725
Public Works Facility	1,179,772
Improvements to Town Hall	786,465
Vehicles	2,070,000
Heavy Equipment Purchases	88,500
Total Planned Facilities	\$ 4,386,544
New Development Service Population (2006-2015)	15,800
Cost per Capita	
Facility Standard per Resident	\$ 278
Facility Standard per Worker	67

Note: Workers are weighted at 0.24 of residents based on a 40 hour work week out of a possible 168 hours in a week.

Source: Table 5.1; Town of Florence; MuniFinancial.

GENERAL GOVERNMENT FACILITIES TO ACCOMMODATE NEW GROWTH

Table 5.3 shows the total revenue that the general government facilities fee is expected to generate from new development. These revenues should be annually programmed into capital improvement projects and be integrated into a five (5) year Capital Improvement Plan (CIP). These revenues also provide an opportunity to develop and implement a system facility plan.

Table 5.3: General Government Facilities to Accommodate New Growth

Facility Standard Per Capita	\$ 278
New Development Service Population (2006-2015)	15,800
Contribution from New Development	\$ 4,387,000

Sources: Tables 5.1 and 5.2; MuniFinancial

FEE SCHEDULE

Table 5.4 shows the general government development impact fee based on the planned facilities standard shown in Table 5.2. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

Table 5.4: General Government Development Impact Fees

Land Use	Cost per Capita ¹	Density ²	Cost per Unit ³	Admin ⁴	Total Fee ³	Fee / Sq. Ft. ⁵
<i><u>Residential (Per Dwelling Unit)</u></i>						
Single Family	\$ 278	2.82	\$ 784	\$ 2	\$ 786	
Multi-Family	278	2.03	563	1	564	
<i><u>Nonresidential (Per 1,000 Sq. Ft.)</u></i>						
Commercial	\$ 67	2.21	147	0	148	\$ 0.15
Industrial	67	1.27	85	0	85	0.09

¹ Cost per resident or per worker.

² Persons per dwelling unit or workers per 1,000 building square feet.

³ Fee per dwelling unit or per 1,000 building square feet.

⁴ Administrative charge of 2.0 percent.

⁵ The fee per square foot includes additions to existing structures.

Sources: Tables 2.1 and 5.2; MuniFinancial.

6. TRANSPORTATION FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of new transportation facilities. The Town would use the fee revenues to expand the Town's transportation facilities to accommodate new development.

SERVICE POPULATION AND TRIPS

To measure existing service population and future growth, land use data are used for transportation facilities. The number of residential dwelling units and the square footage of nonresidential buildings are reasonable indicators of the level of demand for transportation facilities. The Town builds transportation facilities primarily to serve these populations and typically the greater the population the larger the facility required to provide a given level of service. To measure new demand for transportation facilities, trip generation factors by land use classification are used. Table 6.1 below shows the estimated service population used in this analysis. The figures displayed in the table were extrapolated from Census data and data provided by the Town.

Table 6.1: Transportation Facilities Service Population

	2006 Demographics ¹	2006-2015 Demographics ¹	2015 Demographics ¹
<u>Residential (Dwelling Units) ²</u>			
Single Family	1,012	4,477	5,489
Multi-Family	1,277	1,268	2,545
Subtotal Residential	2,289	5,745	8,034
<u>Nonresidential (1,000 SF)</u>			
Commercial	14,745	931	15,676
Industrial	8,523	386	8,908
Subtotal Nonresidential	23,268	1,317	24,584

¹ Demographics in dwelling units or 1,000 building square feet.

² Single Family to Multi-Family assumed to increase at a rate of 3-to-1 based on recent infill and platted lots.

Sources: Table 2.2; 2000 Census; Town of Florence; MuniFinancial.

TRIP DEMAND

According to the ITE Trip Generation Manual (7th Edition) released by the Institute of Transportation Engineers, a single-family dwelling unit generates an average of 9.57 trips per day, a multi-family dwelling unit generates 6.72 trips per day, commercial land use generates

42.94 trips per 1,000 square feet per day, office/institutional land use generates 11.01 trips per 1,000 square feet per day, and industrial land use generates 6.97 trips per 1,000 square feet per day. This information is summarized in Table 6.2 below.

Table 6.2: Trip Rates by Land Use

Land Use Category	ITE Code	Average Daily Trips (ADT)
<u>Residential</u>		
Single Family	210	9.57 Trips/DU
Multi-Family	220	6.72 Trips/DU
<u>Nonresidential</u>		
Commercial	820	42.94 Trips/KSF
Industrial	110	6.97 Trips/KSF

Notes:

DU = Dwelling Unit.

KSF = 1,000 Square Feet.

Source: ITE Trip Generation Manual, 7th ed.

Table 6.3 summarizes the estimated growth in the number of single-family dwelling units and the number of multi-family dwelling units between 2006 and 2015. It also shows the estimated growth in building square feet for nonresidential establishments during that same time period. The estimated number of trips that will be generated by each type of land use is derived by multiplying the trip rate of each land use type by the number of dwelling units or by the building square feet (in thousands). The total trip generation is estimated to be 94,035 trips (see Table 6.3 below).

Table 6.3: Trip Generation by Land Use

Land Use Category	Trip Rate ¹	2006-2015 Demographics ²	Total Trips ³
<u>Residential</u>			
Single Family	9.57	4,477	42,845
Multi-Family	6.72	1,268	8,521
Subtotal Residential		5,745	51,366
<u>Nonresidential</u>			
Commercial	42.94	931	39,981
Industrial	6.97	386	2,688
Subtotal Nonresidential		1,317	42,669
Total Trips			94,035

¹ Trip rates per dwelling unit or per 1,000 building square feet.

² Demographics in dwelling units or 1,000 building square feet.

³ Total trips are product of trip rate and demographics of each category.

Sources: Tables 6.1 and 6.2; Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the planned facilities standard to calculate fees for transportation facilities. Table 6.4 summarizes (1) the estimated total cost of planned facilities, (2) the projected total trips generated between 2006 and 2015 (see Table 6.3), and (3) the cost per trip. Note that the project list excludes all projects to be funded by non-fee revenue sources, such as HURF or grant funds.

Table 6.4: Transportation Facilities – Planned Facilities Standard

	Value
<u>Planned Facilities</u>	
Plant Road Paving	\$ 300,000
Main Street Extension - Phase I	650,000
Roundabout/Intersection Improvement SH 79B & SH 287	1,500,000
Felix Road 1/2 Road Improvement	1,200,000
Main Street Extension - Phase I	1,610,000
Total Planned Facilities	\$ 5,260,000
2006-2015 Total Trip Generation	94,035
Cost per Trip	\$ 56

Source: Table 6.3; Town of Florence; MuniFinancial.

TRANSPORTATION FACILITIES TO ACCOMMODATE NEW GROWTH

Table 6.5 shows the total revenue that the transportation facilities fee is expected to generate from new development. These revenues should be annually programmed into capital improvement projects and be integrated into a five (5) year Capital Improvement Plan (CIP). These revenues also provide an opportunity to develop and implement a system facility plan.

Table 6.5: Transportation Facilities to Accommodate New Growth

Facility Standard Per Trip	\$ 56
New Development Trips (2006-2015)	94,035
Contribution from New Development	\$ 5,260,000

Sources: Tables 6.3 and 6.4; MuniFinancial

FEE SCHEDULE

Table 6.6 shows the transportation development impact fee based on the planned facilities standard shown in Table 6.4. The cost per trip is converted to a fee per unit of development based on the trip rates of each land use category (shown in Table 6.2).

Table 6.6: Transportation Development Impact Fees

Land Use	Cost per Trip¹	Trip Rates²	Cost per Unit³	Admin⁴	Total Fee³	Fee / Sq. Ft.⁵
<i><u>Residential (Per Dwelling Unit)</u></i>						
Single Family	\$ 56	9.57	\$ 535	\$ 1	\$ 536	
Multi-Family	56	6.72	376	1	377	
<i><u>Nonresidential (Per 1,000 Sq. Ft.)</u></i>						
Commercial	56	42.94	2,402	5	2,407	\$ 2.41
Industrial	56	6.97	390	1	391	0.39

¹ Cost per trip.

² Trip rate per dwelling unit or per 1,000 building square feet.

³ Fee per dwelling unit or per 1,000 building square feet.

⁴ Administrative charge of 2.0 percent.

⁵ The fee per square foot includes additions to existing structures.

Sources: Tables 6.2 and 6.4; MuniFinancial.

7. LIBRARY FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of library facilities. The Town would use fee revenues to help fund expanded library facilities to serve new development.

SERVICE POPULATION

Library facilities serve residents, businesses, and employees of the Town. Therefore, demand for services and associated facilities are based on a Town service population that includes both residents and workers.

Table 7.1 shows the estimated service population in 2006 and 2015. In calculating the service population, residents are given a weight of 1.0 and workers are weighted at 0.19 to reflect lower per capita service usage. Nonresidential library services are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker usage of services is less than average per-resident usage. The 0.19 per-worker weighting used here is derived from a study carried out by staff in the City of Phoenix, and is one of the best sources of this data that we are aware of. We used data from that study along with feedback from Town staff to calculate a per capita factor that is independent of land use patterns. Relative demand for libraries between residents and workers does not vary substantially on a per capita basis across communities, enabling us to use this data for all the communities we assist in the documentation of a library development impact fee. However, it would be beneficial for the Town to consider conducting a survey to determine a more accurate estimate of nonresidential library usage.

Table 7.1: Library Facilities Service Population

	Residents	Workers	Service Population
Estimated Population (2006)	5,448	6,345	6,700
New Development (2006-2015)	15,210	2,551	15,700
Total (2015)	20,658	8,896	22,400
Weighting factor	1.00	0.19	

Note: Workers are weighted at 0.19 to reflect lower per capita service usage.

Source: Table 2.2; City of Phoenix; Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the existing inventory standard to calculate fees for library facilities. Table 7.2 summarizes (1) the total cost of existing facilities, equipment, and books (2) the existing service population in 2006 (see Table 7.1), (3) the cost per resident, and (4) the cost per worker, which was calculated using weighting factor of 0.19.

Table 7.2: Library Facilities – Existing Inventory Standard

	Value
<u>Existing Facilities</u>	
Vehicles	\$ 23,936
Equipment	150,000
Books	720,000
Total Existing Facilities	\$ 893,936
Existing Service Population	6,700
Cost per Capita	
Facility Standard per Resident	\$ 133
Facility Standard per Worker	25

Note: Workers are weighted at 0.19 to reflect lower per capita service usage.

Source: Table 7.1; City of Phoenix; Town of Florence; MuniFinancial.

ALLOCATION OF FACILITIES COSTS TO NEW DEVELOPMENT

The allocation of planned facilities costs between existing and new development is shown in Table 7.3. The table shows an estimate of the total cost of facilities associated with new development based on the facility standard shown in Table 7.2.

Table 7.3: Library Facilities to Accommodate New Growth

Facility Standard Per Capita	\$	133
New Development Service Population (2006-2015)		15,700
Contribution from New Development	\$	2,095,000

Sources: Tables 7.1 and 7.2; MuniFinancial

FEE SCHEDULE

Table 7.4 shows the library development impact fee based on the existing inventory standard shown in Table 7.2. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

Table 7.4: Library Development Impact Fees

Land Use	Cost per Capita ¹	Density ²	Cost per Unit ³	Admin ⁴	Total Fee ³	Fee / Sq. Ft. ⁵
<i>Residential (Per Dwelling Unit)</i>						
Single Family	\$ 133	2.82	\$ 377	\$ 1	\$ 378	
Multi-Family	133	2.03	271	1	272	
<i>Nonresidential (Per 1,000 Sq. Ft.)</i>						
Commercial	\$ 25	2.21	56	0	56	\$ 0.06
Industrial	25	1.27	32	0	32	0.03

¹ Cost per resident or per worker.

² Persons per dwelling unit or workers per 1,000 building square feet.

³ Fee per dwelling unit or per 1,000 building square feet.

⁴ Administrative charge of 2.0 percent.

⁵ The fee per square foot includes additions to existing structures.

Sources: Tables 2.1 and 7.2; MuniFinancial.

8. PARKS AND OPEN SPACE FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of parks and open space facilities. The Town would use fee revenues to expand park facilities to serve new development.

SERVICE POPULATION

Parks and open space facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on a Town service population that includes both residents and workers.

Table 8.1 shows the estimated service population in 2006 and 2015. In calculating the service population, workers are weighted less than residents to reflect lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than the average per-resident demand. The 0.24-weighting factor for workers is based on dividing a typical workweek (40 hours) by the total number of hours in a week (168).

Table 8.1: Parks and Open Space Facilities Service Population

	Residents	Workers	Service Population
Estimated Population (2006)	5,448	6,345	7,000
New Development (2006-2015)	15,210	2,551	15,800
Total (2015)	20,658	8,896	22,800
Weighting factor	1.00	0.24	

Note: Workers are weighted at 0.24 of residents based on a 40 hour work week out of a possible 168 hours in a week.

Source: Table 2.2; Town of Florence; MuniFinancial.

Table 8.2 shows the amount of parks and open space land needed to maintain the current standard. This is based on the current standard of 4.02 acres per 1,000 capita shown in the table.

Table 8.2: Parks and Open Space Needed to Maintain Current Standard

	Acres
<u>Existing Parks and Open Space Land</u>	
Main Street Park	1.25
Heritage Park	25.17
Recreation and Little League Park	1.75
Total Acres	28.17
Existing Service Population	7,000
Existing Standard (park acres per 1,000 capita)	4.02
New Development (2006-2015) Service Population (in thousands)	15.80
Acres Needed to Maintain Current Standard	63.58

Source: Table 8.1; Town of Florence; MuniFinancial.

Table 8.3 shows the cost per acre for parks and open space land within the Town of Florence.—The cost per acre is based on current market values; the park improvement cost per acre is based on the improvement costs of existing parks in the Town.

**Table 8.3: Parks and Open Space
Facilities Unit Costs**

	Cost Per Acre
Land Acquisition Cost	\$ 40,000
Park Improvement Cost	30,000
Total Cost per Acre	\$ 70,000

Sources: Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the planned facilities standard to calculate fees for parks and open space facilities. Table 8.4 summarizes (1) the total cost of planned facilities, (2) the growth in service population from 2006 to 2015 (see Table 8.1), (3) the cost per resident, and (4) the cost per worker, which was calculated using the weighting factor of 0.24.

Table 8.4: Parks and Open Space Facilities – Planned Facilities Standard

	Value
Parks and Open Space Land (Acres)	63.58
Cost per Acre	\$ 70,000
Total Cost	\$ 4,450,860
New Development Service Population (2006-2015)	15,800
Cost per Capita	
Facility Standard per Resident	\$ 282
Facility Standard per Worker	68

Source: Tables 8.1, 8.2, and 8.3; Town of Florence; MuniFinancial.

PARKS AND OPEN SPACE FACILITIES TO ACCOMMODATE NEW GROWTH

Table 8.5 shows the total revenue that the parks and open space facilities fee is expected to generate from new development. These revenues should be annually programmed into capital improvement projects and be integrated into a five (5) year Capital Improvement Plan (CIP). These revenues also provide an opportunity to develop and implement a system facility plan.

Table 8.5: Parks and Open Space Facilities to Accommodate New Growth

Facility Standard Per Capita	\$ 282
New Development Service Population (2006-2015)	15,800
Contribution from New Development	\$ 4,451,000

Sources: Tables 8.1 and 8.4; MuniFinancial

FEE SCHEDULE

Table 8.6 shows the parks and open space development impact fee based on the planned facilities standard shown in Table 8.4. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

Table 8.6: Parks and Open Space Development Impact Fees

Land Use	Cost per Capita ¹	Density ²	Cost per Unit ³	Admin ⁴	Total Fee ³	Fee / Sq. Ft. ⁵
<i><u>Residential (Per Dwelling Unit)</u></i>						
Single Family	\$ 282	2.82	\$ 795	\$ 2	\$ 797	
Multi-Family	282	2.03	572	1	573	
<i><u>Nonresidential (Per 1,000 Sq. Ft.)</u></i>						
Commercial	68	2.21	150	0	150	\$ 0.15
Industrial	68	1.27	86	0	86	0.09

¹ Cost per resident or per worker.

² Persons per dwelling unit or workers per 1,000 building square feet.

³ Fee per dwelling unit or per 1,000 building square feet.

⁴ Administrative charge of 2.0 percent.

⁵ The fee per square foot includes additions to existing structures.

Sources: Tables 2.1 and 8.4; MuniFinancial.

9. WATER FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of new water facilities. The Town would use the fee revenues to expand the Town's network of water facilities to accommodate new development.

EQUIVALENT DWELLING UNITS

Water facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on dwelling unit equivalents, compare the consumption of each category to that of a single family dwelling unit. For the purpose of this analysis, it is assumed that, on average, a single family dwelling unit consumes 353 gallons of water per day (GPD) and a multi-family dwelling unit consumes 254 GPD (based on a consumption of 125 GPD per resident). For nonresidential land uses, commercial and industrial are assumed to demand 2,000 GPD of water per acre. This is equivalent to consuming 184 GPD per 1,000 square feet for commercial, and 131 GPD per 1,000 square feet for industrial. The dwelling unit equivalent (DUE) factors are calculated by dividing estimated average flow of each land use category by the estimated average flow of the single-family residential category. The DUE for each land use type is calculated by multiplying the DUE factor of each land use type by the number of single-family residential dwelling units. This information is summarized in Table 9.1 below.

Table 9.1: Water Dwelling Unit Equivalent Calculation

Land Use Category	Single Family Residential	Multi-Family Residential	Commercial	Industrial	Total
Dwelling Units (DU) / Acreage	1,012	1,277	1,299	559	
Estimated Average Water Demand per DU or per acre (GPD) ^{1,2}	353	254	2,000	2,000	
Total Discharge (GPD)	357,032	323,968	2,598,000	1,118,000	
Estimated Building Square Footage (1,000 SF) ³			14,146	8,523	
Estimated Average Water Demand per DU or per 1,000 SF (GPD) ^{1,4}	353	254	184	131	
<i>DUE Factor</i> ^{1,5}	1.00	0.72	0.52	0.37	
Total DUE ⁶	1,012	727	527	376	2,642

¹ "GPD" is gallons per day. "DUE" is dwelling unit equivalent. "SF" is square feet.

² Estimated average water consumption (GPD) per dwelling unit or per acre.

³ Nonresidential square footage based on floor area ratio (FAR) of 0.25 for Commercial and 0.35 for Industrial.

⁴ Estimated average water consumption (GPD) per dwelling unit or per 1,000 SF.

⁵ DUE Factor calculated by dividing estimated average flow of each land use category by the estimated average flow of the Single Family Residential category.

⁶ Total DUE of each land use category calculated by multiplying the DUE Factor of each category by the number of Single Family Residential dwelling units.

Source: Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the existing inventory standard to calculate fees for water facilities. Table 9.2 summarizes (1) the total cost of existing facilities, (2) the existing service population in 2006 in terms of dwelling unit equivalents (see Table 9.1), and (3) the cost per dwelling unit equivalent.

Table 9.2: Water Facilities – Existing Inventory Standard

	Inventory	Unit Cost	Value
<u>Existing Facilities</u>			
Land (acres)	1.91	\$ 40,000	\$ 76,280
Plant ¹			
Florence			5,183,022
North Florence			2,238,209
Total Plant			\$ 7,421,231
Vehicles			660,000
Total Existing Facilities			\$ 8,157,511
Total DUE			2,642
Cost per DUE			\$ 3,088

¹ Replacement value calculated by inflating original plant costs to 2006 dollars.

Source: Table 9.1; Town of Florence; MuniFinancial.

WATER FACILITIES TO ACCOMMODATE NEW GROWTH

Table 9.3 shows the total number of dwelling unit equivalents related to new development. The total new DUE was derived by multiplying the DUE factors calculated in Table 9.1 by the number of planned single family dwelling units.

Table 9.3: Growth-Related Dwelling Unit Equivalents

Land Use Category	Single Family	Multi-Family	Commercial	Industrial	Total
	Residential	Residential			
Dwelling Units (DU) / 1,000 SF ¹	2,223	4,404	931.10	385.72	
DUE Factor ¹	1.00	0.72	0.52	0.37	
Total New DUE ^{1,2}	2,223	1,598	1,157	826	5,804

¹ "DUE" is dwelling unit equivalent. "SF" is square feet.

² Total DUE of each land use category calculated by multiplying the DUE Factor of each category by the number of Single Family Residential dwelling units.

Source: Table 9.1; Town of Florence; MuniFinancial.

Table 9.4 shows the total revenue that the water facilities fee is expected to generate from new development. These revenues should be annually programmed into capital improvement projects and be integrated into a five (5) year Capital Improvement Plan (CIP). These revenues also provide an opportunity to develop and implement a system facility plan.

Table 9.4: Water Facilities to Accommodate New Growth

Facility Standard Per DUE	\$ 3,088
New DUE (2006-2015)	5,804
Contribution from New Development	\$ 17,922,000

Sources: Tables 9.2 and 9.3; MuniFinancial

FEE SCHEDULE

Table 9.5 shows the water development impact fee based on the existing inventory standard shown in Table 9.2. The cost per DUE is converted to a fee per meter size based on the meter equivalent ratios associated with each meter size (shown in the table). Note, meters installed exclusively for the use of sprinkler systems will not be subject to the water development impact fee.

Table 9.5: Water Development Impact Fees

Meter Size	Meter Equivalent Ratio	Cost per Meter ^{1,2}	Admin ³	Total Fee ^{4,5}
5/8" x 3/4"	1.00	\$ 3,088	\$ 6	\$ 3,094
1"	1.67	5,146	10	5,156
1 1/2"	3.33	10,292	21	10,313
2"	6.67	20,584	41	20,625
3"	10.67	32,935	66	33,001
4"	16.67	51,460	103	51,563
6"	33.33	102,921	206	103,127
8"	80.00	247,010	494	247,504
10"	126.67	391,099	782	391,882
12"	166.67	514,605	1,029	515,634

¹ 5/8" x 3/4" meter size represents a single family dwelling unit.

² Fee per meter size based on meter equivalent ratio (relative to a single family dwelling unit).

³ Administrative charge of 2.0 percent.

⁴ Total fee per meter size.

⁵ Meters installed exclusively for the use of sprinkler systems will not be subject to the water development impact fee.

Sources: Table 9.2; Town of Florence; MuniFinancial.

10. SEWER FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of new sewer facilities. The Town would use the fee revenues to expand the Town's network of sewer facilities to accommodate new development.

EQUIVALENT DWELLING UNITS

Wastewater facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on dwelling unit equivalents, which compare the discharge from each category to that of a single family dwelling unit. For the purpose of this analysis, it is assumed that, on average, a single family dwelling unit discharges 265 gallons of water per day (GPD) and a multi-family dwelling unit discharges 190 GPD (based on a water consumption of 125 GPD per resident). It is assumed that seventy percent (75%) of residential water demand is discharged as wastewater. For nonresidential land uses, commercial and industrial are assumed to demand 2,000 GPD of water per acre, all of which is discharged as wastewater. This is equivalent to commercial discharging 184 GPD per 1,000 square feet and industrial discharging 131 GPD per 1,000 square feet. The dwelling unit equivalent (DUE) factors are calculated by dividing the estimated average flow of each land use category by the estimated average flow of the single-family residential category. The dwelling unit equivalent for each land use type is calculated by multiplying the DUE factor of each land use type by the number of single-family residential dwelling units. This information is summarized in Table 10.1 below.

Table 10.1: Sewer Dwelling Unit Equivalent Calculation

Land Use Category	Single Family Residential	Multi-Family Residential	Commercial	Industrial	Total
Dwelling Units (DU) / Acreage	1,012	1,277	1,299	559	
Estimated Average Wastewater Discharge per DU or per acre (GPD) ^{1,2}	265	190	2,000	2,000	
Total Discharge (GPD)	267,774	242,976	2,598,000	1,118,000	
Estimated Building Square Footage (1,000 SF) ³			14,146	8,523	
Estimated Average Wastewater Discharge per DU or per 1,000 SF (GPD) ^{1,4}	265	190	184	131	
<i>DUE Factor</i> ^{1,5}	<i>1.00</i>	<i>0.72</i>	<i>0.69</i>	<i>0.50</i>	
Total DUE ⁶	1,012	727	702	502	2,943

¹ "GPD" is gallons per day. "DUE" is dwelling unit equivalent. "SF" is square feet.

² Estimated average wastewater discharge (GPD) per dwelling unit or per acre (note: residential wastewater discharge is assumed to be 75% of water consumption).

³ Nonresidential square footage based on floor area ratio (FAR) of 0.25 for Commercial and 0.35 for Industrial.

⁴ Estimated average wastewater discharge (GPD) per dwelling unit or per 1,000 SF.

⁵ DUE Factor calculated by dividing estimated average flow of each land use category by the estimated average flow of the Single Family Residential category.

⁶ Total DUE of each land use category calculated by multiplying the DUE Factor of each category by the number of Single Family Residential dwelling units.

Source: Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the existing inventory standard to calculate fees for wastewater facilities. Table 10.2 summarizes (1) the total cost of existing facilities, (2) the existing service population in 2006 in terms of dwelling unit equivalents (see Table 10.1), and (3) the cost per dwelling unit equivalent.

Table 10.2: Sewer Facilities – Existing Inventory Standard

	Inventory	Unit Cost	Value
<u>Existing Facilities</u>			
Land (acres)	136.11	\$ 40,000	\$ 5,444,400
Plant ¹			
Florence			3,671,388
North Florence			1,364,040
Total Plant		\$	5,035,428
Vehicles			722,000
Total Existing Facilities		\$	11,201,828
Total Existing DUE			2,943
Cost per DUE		\$	3,806

Source: Table 10.1; Town of Florence; MuniFinancial.

SEWER FACILITIES TO ACCOMMODATE NEW GROWTH

Table 10.3 shows the total number of dwelling unit equivalents related to new development. The total new DUE was derived by multiplying the DUE factors calculated in Table 10.1 by the number of planned single family dwelling units.

Table 10.3: Growth-Related Dwelling Unit Equivalents

Land Use Category	Single Family	Multi-Family	Commercial	Industrial	Total
	Residential	Residential			
Dwelling Units (DU) / 1,000 SF ¹	4,477	1,268	931.10	385.72	
DUE Factor ¹	1.00	0.72	0.69	0.50	
Total New DUE ^{1,2}	4,477	3,218	3,107	2,219	13,021

¹ "DUE" is dwelling unit equivalent. "SF" is square feet.

² Total DUE of each land use category calculated by multiplying the DUE Factor of each category by the number of Single Family Residential dwelling units.

Source: Table 10.1; Town of Florence; MuniFinancial.

Table 10.4 shows the total revenue that the sewer facilities fee is expected to generate from new development. These revenues should be annually programmed into capital improvement projects and be integrated into a five (5) year Capital Improvement Plan (CIP). These revenues also provide an opportunity to develop and implement a system facility plan.

Table 10.4: Sewer Facilities to Accommodate New Growth

Facility Standard Per DUE	\$ 3,806
New DUE (2006-2015)	<u>13,021</u>
Contribution from New Development	\$ 49,563,000

Sources: Tables 10.2 and 10.3; MuniFinancial

FEE SCHEDULE

Table 10.5 shows the sewer development impact fee based on the existing inventory standard shown in Table 10.2. The cost per DUE is converted to a fee per meter size based on the meter equivalent ratios associated with each meter size (shown in the table).

Table 10.5: Sewer Development Impact Fees

Meter Size	Meter Equivalent Ratio	Cost per Meter ^{1,2}	Admin ³	Total Fee ⁴
5/8" x 3/4"	1.00	\$ 3,806	\$ 8	\$ 3,814
1"	1.67	6,344	13	6,356
1 1/2"	3.33	12,688	25	12,713
2"	6.67	25,375	51	25,426
3"	10.67	40,600	81	40,681
4"	16.67	63,438	127	63,565
6"	33.33	126,875	254	127,129
8"	80.00	304,501	609	305,110
10"	126.67	482,126	964	483,091
12"	166.67	634,377	1,269	635,646

¹ 5/8" x 3/4" meter size represents a single family dwelling unit.

² Fee per meter size based on meter equivalent ratio (relative to a single family dwelling unit).

³ Administrative charge of 2.0 percent.

⁴ Total fee per meter size.

Sources: Table 10.2; Town of Florence; MuniFinancial.

11. SANITATION FACILITIES

The purpose of this fee is to ensure that new development funds its fair share of new sanitation facilities. The Town would use the fee revenues to expand the Town's network of sanitation facilities to accommodate new development.

EQUIVALENT DWELLING UNITS

Sanitation facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on dwelling unit equivalents, which compare nonresidential waste disposal to that of a single family dwelling unit. For the purpose of this analysis, it is assumed that total residential waste disposal equals 20.67 tons per week (TPW) and total nonresidential waste disposal equals 88.83 TPW. Using the total disposal weights, the dwelling unit equivalent factors are calculated by dividing the total disposal weight of each land use category by the total disposal weight of the residential category. The dwelling unit equivalent for each land use type is calculated by multiplying the DUE factor of each land use type by the number of single family residential units. This information is summarized in Table 11.1 below.

Table 11.1: Sanitation Dwelling Unit Equivalent Calculation

Land Use Category	Residential	Nonresidential	Total
Dwelling Units (DU) / 1,000 SF ^{1,2}	8,034	24,584	
Estimated total solid waste disposal (TPW) ¹	20.67	88.83	
<i>DUE Factor</i> ^{1,3}	1.00	4.30	
Total DUE ⁴	5,489	23,589	29,078

¹ "TPW" is tons per week. "DUE" is dwelling unit equivalent. "SF" is square feet.

² Nonresidential square footage based on floor area ratio (FAR) of 0.25 for Commercial and 0.35 for Industrial.

³ DUE Factor calculated by dividing estimated solid waste disposal of each land use category by the estimated solid waste disposal of the Single Family Residential category.

⁴ Total DUE of each land use category calculated by multiplying the DUE Factor of each category by the number of Single Family Residential dwelling units in 2015 (5,489 units).

Source: Town of Florence; MuniFinancial.

FACILITIES INVENTORY AND STANDARD

This study uses the system plan standard to calculate fees for sanitation facilities. Table 11.2 summarizes (1) the total cost of existing facilities, vehicles, and equipment, (2) the estimated total cost of planned facilities, (3) the total sanitation facilities cost (existing and planned), (4) the projected service population in 2015 in terms of dwelling unit equivalents (see Table 11.1), and (5) the cost per dwelling unit equivalent.

Table 11.2: Sanitation Facilities – System Plan Standard

	Value
<u>Existing Facilities</u>	
Equipment	\$ 138,788
Vehicles	1,110,000
Total Existing Facilities	\$ 1,248,788
<u>Planned Facilities</u>	
Capital Improvement Projects	\$ 2,088,250
Total Planned Facilities	\$ 2,088,250
Total Facilities	\$ 3,337,038
Total DUE	29,078
Cost per DUE	\$ 115

Source: Table 11.1; Town of Florence; MuniFinancial.

SANITATION FACILITIES TO ACCOMMODATE NEW GROWTH

Table 11.3 shows the total revenue that the sanitation facilities fee is expected to generate from new development. These revenues should be annually programmed into capital improvement projects and be integrated into a five (5) year Capital Improvement Plan (CIP). These revenues also provide an opportunity to develop and implement a system facility plan.

Table 11.3: Sanitation Facilities to Accommodate New Growth

Facility Standard Per DUE	\$	115
New DUE (2006-2015)		23,717
Contribution from New Development	\$	2,722,000

Sources: Table 11.2; MuniFinancial

FEE SCHEDULE

Table 11.4 shows the sanitation development impact fee based on the existing inventory standard shown in Table 11.2. The cost per DUE is converted to a fee per unit of development based on the DUE Factors calculated in Table 11.1.

Table 11.4: Sanitation Development Impact Fees

Land Use	Cost per DUE ¹	DUE Factor ²	Cost per Unit ³	Admin ⁴	Total Fee ³	Fee / Sq. Ft. ⁵
Residential (Per Dwelling Unit)	\$ 115	1.00	\$ 115	\$ 0	\$ 115	
Nonresidential (Per 1,000 Sq. Ft.)	115	4.30	493	1	494	\$ 0.49

¹ Cost per dwelling unit equivalent.

² Dwelling unit equivalent factors.

³ Fee per dwelling unit or per 1,000 building square feet.

⁴ Administrative charge of 2.0 percent.

⁵ The fee per square foot includes additions to existing structures.

Sources: Tables 11.1 and 11.2; MuniFinancial.

1 2. IMPLEMENTATION

This chapter identifies tasks that the Town should complete when implementing the fee programs.

ADOPT ORDINANCE AND RESOLUTION

The Town Council should adopt an ordinance and resolution to implement the fees subject to the advice of legal counsel (the fees cannot be implemented until 90 days after their formal adoption). The ordinance would authorize the Town to impose and collect public facilities fees, require parkland dedication, impose, and make the statutory findings required by §9-463.05 of the Arizona Revised Statutes.

The fee resolution could reference the ordinance, set the amount of the fee, and reference this report to justify the amount of the fee. Setting the fee by resolution could make it easier administratively to update the fee annually for inflation (see further discussion below).

PROGRAMMING REVENUES AND PROJECTS WITH THE CIP

The Town should update its Capital Improvement Plan (CIP) to program fee revenues to specific projects. Use of the CIP in this manner documents a reasonable relationship between new development and the use of fee revenues.

The Town may alter the scope of the planned projects, or substitute new projects as long as the project continues to represent an expansion of the Town's facility capabilities. If the total cost of all planned projects varies from the total cost used as a basis for any of the fees, the Town should revise those fees accordingly.

IDENTIFY NON-FEE REVENUE SOURCES

As fees are only imposed to fund new development's fair portion of facilities, the Town should consider how deficiencies might be supplemented through the use of alternative funding sources. Potential sources of revenue include existing or new general fund revenues or the use of existing or new taxes. The Town must identify non-fee revenue sources to fully fund the planned facilities and justify the maximum impact fee.

INFLATION ADJUSTMENT

The Town should identify appropriate inflation indexes in the fee ordinance and adopt an automatic inflation adjustment to the fee annually. The Town should use separate indexes for land and construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the Town's recent capital project experience or taken from any reputable source, such as the *Engineering News Record* (<http://www.enr.com/features/coneco/subs/recentindexes.asp>). To

calculate the fee increases, each index should be weighted by the share of total planned facility costs represented by land or construction, as appropriate.

REPORTING REQUIREMENTS

The Town should comply with the reporting requirements of §9-463.05 of the Arizona Revised Statutes. For facilities to be funded with a combination of impact fees and other revenues, the Town must identify the source and amount of the other revenues. The Town must also identify when the other revenues are anticipated to be available to fund the project.